



Investor Update

May 10, 2012

Prism Cement Limited today announced audited financial results for the year ended March 31, 2012

Financial Overview (Audited for the year ending March 31, 2012)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Sales	4,822	3,562	4,893	3,619
Profit / (Loss) before finance cost, tax, depreciation, and exceptional items	268	343	322	385
Profit / (Loss) before finance cost, tax, and exceptional items	120	229	160	259
Profit / (Loss) before tax	(46)	131	(28)	147
Net Profit / (Loss) after tax	(30)	96	(17)	104
Share of minority interest	-	-	(1)	1
Net Profit / (Loss) after tax, minority interest, and share of profit / (loss) of associates	(30)	96	(18)	105
EPS* (Rs.)	(0.61)	1.95	(0.38)	2.14

* EPS has been computed on capital base excluding the shares held by the Prism Trust.

Segmental Results

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Segment Revenue				
a) Cement	1,714	1,061	1,714	1,061
b) TBK	1,675	1,428	1,729	1,468
c) RMC	1,134	913	1,134	913
d) Others	-	-	39	21
Segment Results				
a) Cement	36	109	34	110
b) TBK	44	79	70	111
c) RMC	32	37	32	37
d) Others	-	-	4	(5)
Capital employed				
a) Cement	1,377	1,410	1,377	1,410
b) TBK	758	682	988	806
c) RMC	236	205	236	205
d) Others	-	-	141	139

Performance Review and key developments

The Board of Directors has recommended a dividend of Rs. 0.50 per share of Rs. 10 each aggregating to Rs. 29.25 crores including dividend distribution tax for the year ended March 31, 2012.

For the year ended March 31, 2012, Company produced 39.39 lakh tonnes of clinker and 47.52 lakh tonnes of cement. The Company dispatched 4.75 lakh tonnes of clinker and 47.42 lakh tonnes of cement, aggregating to 52.10 lakh tonnes as against 2.42 lakh tonnes of clinker and 31.49 lakh tonnes of cement, aggregating to 33.91 lakh tonnes during the previous year.

In March 2012, in the new plant (Unit-II) of Cement Division at Satna, there was damage to the Blending Silo due to which the clinker production has been affected. Further, the loss on account of the incident is largely covered by the insurance policy. The estimated loss due to certain non-recovery of the claim amount from the insurance company has been provided in the financial statements of the year under review and the same has been shown as exceptional item in the Profit and Loss Statement for the year ended March 31, 2012.

Work on the intermediate solution to restart clinker production at Unit II is in full swing and is expected to be completed in June 2012. The construction of a new Silo will commence shortly.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenue during the year were ₹ 1,729 Crores, thereby achieving a growth rate of 18% when compared to last year. Increase in raw material, power, and fuel costs has resulted in reduced profitability for the Division during the year. Moreover, there was a forex loss of ₹ 10 crores on account of rupee depreciation impacting the foreign currency borrowings.

Readers' Digest has honoured 'Johnson' brand with the Trusted Brand Award (Gold) for the year 2012. This is the fourth year in a row that 'Johnson' has been conferred with this honour. Moreover, 'Marbonite' has been also been conferred with the 'Power brand' award for the year.

The Division has inaugurated "House of Johnson" showroom at NOIDA and Chandigarh taking the total number of showrooms to 16 across the country.

Lifestyle Investments Pvt. Limited, Company's overseas wholly-owned subsidiary, received a dividend income of £ 241,791 from its investment in Norcross plc taking the total dividend received during FY 12 to £ 656,288.

The VAT exemption of tile manufacturing plant at Pen has ended on March 31, 2012. The Division is modernizing the Plant which would increase the mix towards more value-added tiles.

On a year to year basis, RMC Readymix (India) (RMC) Division recorded an increase of 24% in its sales turnover. This was on the back of increased volumes and higher selling price. However, the profitability of the Division was impacted due to overall cost increase.

Expansions

The Company received the approval for land alienation from the State Government for its cement plant at Kurnool District, Andhra Pradesh and has completed the necessary formalities for the possession. Further project activity will commence in due course.

The Company had appointed M/s. IRL (India) Private Limited as the Mine Developer & Operator (MDO) for its Coal Block near Chhindwara, Madhya Pradesh. The Agreement required IRL to raise the necessary funding for development of the coal project within 90 days of signing of the Agreement, which period expired on 29 December 2011. However, as they were not able to arrange sufficient funds for the project, the Agreement with them was terminated. The Company has appointed M/s. Apex Encon Projects Private Limited, which is an

ISO 9001:2000 certified company with its core strength being execution of complicated tunneling and other infrastructure works as the MDO.

The MDO has commenced survey, basic infrastructure work and work on the incline. It is expected that the MDO shall complete the incline and reach coal by FY 2014. The mined coal will be used for captive consumption of the cement plant located at Satna, Madhya Pradesh.

Milano Bathroom Fittings, Wholly-owned subsidiary of the Company, has set-up a plant in Samba, Jammu & Kashmir, to manufacture bath fittings with a capacity of 3 lac pieces per annum. The Plant is operational and has started commercial dispatches.

The Company's subsidiary, Silica Ceramica Pvt. Limited (SCPL), has increased the capacity of vitrified / glazed tiles and has also achieved its 100% capacity installation, i.e. 27,500 m² per day w.e.f. 25th March 2012. The Company has increased its stake in the Joint-Venture to 97.5%.

Antique Minerals Pvt. Limited, wholly-owned subsidiary of Antique Marbonite Pvt. Limited, the Company's JV in Gujarat for vitrified tiles, is in the process of setting-up a manufacturing plant for engineered marble and quartz. Quartz Plant is operational and Marble Plant is likely to be completed in FY 2013.

The Company is enhancing its capacity of vitrified / glazed ceramic tiles at Dewas, Madhya Pradesh. The capacity is being increased by 2 million m² per annum which would take the Plant's total capacity to 3.4 million m² per annum. The Project is likely to be completed in FY 2013.

Small Tile Pvt. Limited, the Company's JV in Gujarat for floor tiles, has acquired a company having a manufacturing plant of wall tiles and converted it to manufacture floor tiles of size 12" x 12" with a capacity of 2.6 million m² per annum. The plant is operational now.

The Company plans to set-up a tile manufacturing facility in East India. It would be the first tile manufacturing plant in the Eastern Region. The Company is in the process of completing the final formalities for land acquisition.

RMC Division saw a net addition of 7 concrete plants during the year taking the total number of plants to 87. Further one more aggregate Quarry with crusher was added during the year under review. The Division plans to set-up further 3 new plants during the first quarter of FY 2013 to maintain its healthy growth rate.

Industry Scenario / Future Outlook

Cement demand grew during the year ended March 31, 2012 on the back of increased construction activity. Average cement prices increased in the markets of interests to partially mitigate the hike in excise duty coupled with the hike in freight rates. Cement demand growth is expected to be healthy in 2012-13 with infrastructure investments being the key driver and the Government initiatives translating into an overall growth.

Bulk of H & R Johnson (India)'s products are targeted towards affordable housing segment which is growing at a healthy rate and is likely to continue in future as well due to India's economic growth and changing demographics. The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable us to enjoy a distinct competitive advantage over others in the market.

The Ready-mixed Concrete Industry in India is over 15 years old and has been growing at a healthy rate over the last few years. With the Mega Projects Vertical, RMC Division is focusing on infrastructure segment as well and the said Vertical has seen a quantum leap in its

business. The markets in 2-tier & 3-tier cities have also been showing maturity which will help the industry's growth.

About Prism Cement Limited

Prism Cement Limited is one of India's leading Building Materials Company, with a wide range of products from cement, ready-mixed concrete, tiles, bath products to kitchens. The company has three Divisions, viz. Prism Cement, H & R Johnson (India), and RMC Readymix (India). Prism Cement Limited also has a 74% stake in Raheja QBE General Insurance Company Limited, a JV with QBE Group of Australia.

The equity shares of the company are listed on the Bombay and National Stock Exchanges.

Prism Cement

Prism Cement commenced production at its Unit I in August, 1997 and Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' and Ordinary Portland Cement (OPC). It has the highest quality standards due to efficient plant operations with automated controls. It caters mainly to markets of UP, MP and Bihar, with an average lead distance of 425 kms from its plant at Satna, MP. It has a wide marketing network with about 3,300 dealers serviced from 163 stocking points.

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the market leader in the field of ceramic tiles in India. HRJ has consistently maintained its leadership position in the field of tiles over the past five decades. Today, HRJ is the largest manufacturer and marketer of vitrified / ceramic tiles in India. HRJ along with its Joint Ventures and subsidiaries has a capacity of over 51 million m² per annum spread across 9 manufacturing plants across the country. HRJ enjoys the reputation of being the only entity in India to offer end-to-end solutions of Tiles, Sanitaryware, Bath Fittings and Kitchens.

Under its flagship brand, Johnson, HRJ offers glazed wall and floor tiles, bath products, kitchens, laminate / engineered wooden flooring, and engineered marble and quartz. Marbonite brand offers a complete range of vitrified tiles (polished and glazed), and Endura offers industrial tiles and tiles for special applications like bathrooms / high traffic areas / swimming pools etc.

RMC Readymix (India)

RMC Readymix (India) is one of India's leading ready-mixed concrete manufacturers. Set-up in 1996, RMC currently operates 87 ready-mixed concrete plants in 35 cities/towns across the Country. Further the Division has been able to secure new positions in its existing markets which will help it to maintain its growth. RMC has also ventured into the Aggregates business and operates large Quarries and Crushers. At present, RMC has 9 Quarries across the country. RMC has been at the forefront in setting high standards for plant and machinery, production and quality systems and product services in the ready-mixed concrete industry.

Investor Relations

Prism Cement Limited is committed to creating long-term sustainable shareholder value through successful implementation of its growth plans. The company's investor relations mission is to maintain an ongoing awareness of its performance among shareholders and financial community.

For additional information, please contact:

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Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.